



POLICY STATEMENT

Subject: Ethics and Conflict of Interest	Issued: 07/17/2012	Policy Section: HR
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Department of Economic Development employees are entrusted with executing important governmental duties. The Department has developed this Conflict of Interest Policy to ensure that all ministerial decisions are made impartially and without conflicts of commitment or interest. This policy is calculated to support the culture of ethical and efficient service to the citizens of the State.

Resources

- Sections 105.450, RSMo *et seq.*
- Missouri State Policy 13
- DED Nepotism Policy
- DED Supplemental Employment Policy
- DED Political Activities Policy

Definitions

Conflict of Interest: is a situation in which an individual's financial or other interests in an outside entity conflict, or appear to conflict, with that individual's ability to carry out his or her responsibilities to the Department. These responsibilities include, but are not limited to, awarding of procurement contracts, administration of discretionary tax credits, participation in employment decisions and enrollment in loan or investment programs. A conflict of interest does not imply wrongdoing or misconduct; rather it is a situation in need of management.

Conflict of Commitment: is a situation in which an individual's outside activities interfere, or would reasonably appear to interfere, with that individual's duties and responsibilities to the Department. This includes any outside services, dual employment, consulting or other activity, regardless of the location of those activities, the type of entity (for-profit, not-for-profit or government), or the level of compensation (compensated or unpaid). Any outside activity that interferes with an individual's ability to effectively carry out his or her Departmental duties and responsibilities is a Conflict of Commitment and as such is prohibited by this policy.

Relative: An employee's spouse, child, grandchild, parent, grandparent, brother or sister (including half-brother and half-sister), their spouses, and the parent, brother, sister or child of an employee's spouse; or a Domestic Partner (defined, *for the purposes of this policy only*, to mean: an adult (18 years of age or older) of the same sex or opposite sex who: (i) is not related



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to the employee under the definitions above; and (ii) who shares a primary residence, or otherwise is in a relationship of mutual financial support with the employee; and (iii) who intends to remain in such relationship for the indefinite future.

Substantial interest: ownership by the individual, the individual's spouse, or the individual's dependent children, whether singularly or collectively, directly or indirectly, of ten percent or more of any business entity, or of an interest having a value of ten thousand dollars or more, or the receipt by an individual, the individual's spouse or the individual's dependent children, whether singularly or collectively, of a salary, gratuity, or other compensation or remuneration of five thousand dollars, or more, per year from any individual, partnership, organization, or association within any calendar year.

Guidelines

1. Department employees shall fully comply with the conflict of interest laws applying to state employees, found in Sections 105.450, RSMo, *et seq.*, including but not limited to the restrictions that **no employee of the Department shall, in the performance of his or her position:**
 - a. Take any action, or refrain from taking any action, due to an offer or receipt of payment or anything of actual value, including any gift;
 - b. Use confidential information obtained in the course of his or her employment with intent to result in financial gain for himself or herself or for any other person;
 - c. Take any action that is designed to bring a monetary benefit to himself or herself, or to any of his or her relatives;
 - d. Use his or her position to coerce or extort anything of value from another person;
 - e. Perform any service for the Department for payment of any compensation other than that provided for his or her official duties, in excess of \$500 per transaction or \$5000 per year;
 - f. Sell, rent or lease any property to the Department for in excess of \$500 per transaction or \$5000 per year;
 - g. Attempt to influence any Departmental decision when he or she knows that the decision may result in the acceptance of a service or the sale, rental, or lease of any property to the Department in excess of \$500 per transaction or \$5000 per year to the employee, or to any relative of the employee;
 - h. Attempt to influence a Departmental decision in exchange for payment from any outside person, firm or corporation;



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- i. Attempt to influence a Departmental decision, in exchange for payment, for one year after termination from his or her position; or
 - j. Perform any service for payment, after termination from his or her position, in relation to any matter to which the employee was directly concerned or in which he or she personally participated during his or her Departmental employment.
2. Department employees shall comply with the restrictions set forth in Executive Order 17-02 in its entirety, including but not limited to, the order's restriction that no state employee of the executive branch shall knowingly solicit or accept any gift from a lobbyist.
3. Employees shall comply with the restrictions set forth in Missouri State Policy 13, including but not limited to, that policy's restriction that a state employee may not accept, directly or indirectly, on behalf of himself or herself or any member of the employee's household, any gift, including but not limited to any gratuity, service, favor, food, entertainment, lodging, transportation, loan, loan guarantee, or any other thing of monetary value, from any person or entity that is a Missouri registered lobbyist as defined in section 105.470, RSMo. This restriction is subject to the exceptions set forth in State Policy 13.
4. No employee shall participate in the selection, award, or administration of a purchase or contract with a vendor where, to his or her knowledge, any of the following has a financial interest in that purchase or contract:
 - a. The employee;
 - b. Any relative of the employee;
 - c. An organization in which either of the above is an officer, director, or employee or has a substantial interest.
5. No employee shall participate in the approval or issuance of any tax credit or the enrollment of any loan or investment where, to his or her knowledge, any of the following has a financial interest in that tax credit, loan or investment:
 - a. The employee;
 - b. Any relative of the employee;
 - c. An organization in which either of the above is an officer, director or employee, or has a substantial interest.
6. Employees shall avoid acquiring any business interest, engaging in outside employment or participating in any activity outside the Department of Economic Development that



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would create a conflict of interest or conflict of commitment with his or her official duties.

7. Employees shall not accept entertainment, gifts, personal favors or preferential treatment that could influence, or appear to influence, their decisions in performing their job functions.
8. Employees who have access to Department funds in any form must follow all prescribed procedures and internal controls for recording, handling, and protecting money.
9. Personal use of Department funds or assets, except as specifically set forth in official, written DED policy, is strictly forbidden.
10. Employees must not make or engage in any false record or communication whether internal or external, including but not limited to:
 - a. False expense, attendance, production, financial, or similar reports and statements
 - b. False advertising, deceptive marketing practices, or other misleading representations
11. Employees shall not use their positions or affiliation with the Department when communicating regarding matters not involving Departmental business. Employees must not use organization identification, stationery, supplies, and equipment for personal or political matters.
12. When communicating publicly on matters that involve Department business, employees shall not speak for the Department on any topic, unless they are certain that the views they express are those of the Department, and that it is DED's desire that such views be expressed publicly.
13. Employees shall conduct Department business in a manner which inspires public confidence and trust and shall strive to avoid situations creating the appearance that they are violating the guidelines set forth in this policy.
14. Employees shall not disclose confidential information gained by reason of their employment. The term confidential information shall bear the same meaning as defined in Section 105.450.5, RSMo.

Employee Responsibilities

1. Employees shall perform their position responsibilities in accordance with the Guidelines set forth in this policy and with all applicable law.



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- Any employee who learns that he or she may have participated in an activity prohibited by the Guidelines set forth in this policy shall inform his or her supervisor within three (3) calendar days of learning of the prohibited nature of the activity.
- Any employee who learns that he or she has a potential or actual conflict of interest or conflict of commitment with his or her Departmental duties shall notify his or her supervisor within five (5) calendar days of learning of the conflict.
- If an employee has knowledge of an actual or potential fraud or waste of any public assets, the employee should, **immediately** upon learning of the fraud or waste, inform his or her supervisor of the fraud or waste.
- Employees have a responsibility to report occurrences of ethical violations, fraud, waste or abuse of Department resources that can be verified through investigation. Employees shall be protected against any form of retaliation, including termination, for reporting, **in good faith**, occurrences of ethical violations, fraud, waste or abuse. The Department will conduct investigations to substantiate reported allegations in a confidential manner.

Supervisor Responsibilities

- Inform the DED General Counsel's Office immediately upon his or her subordinate employee reporting that he or she has participated in an activity that would violate the Guidelines set forth in this policy.
- Request review and advice from the General Counsel's Office within three (3) business days upon his or her subordinate employee disclosing an actual or potential conflict of interest or conflict of commitment. The supervisor shall then assist with any requests for information that would allow the General Counsel's Office to reach a decision regarding the conflict.
- Keep sufficient documentation of any communications with his or her subordinate employees regarding the Guidelines set forth in this policy.
- Note any violations of this policy by his or her subordinate employees in the employee's annual Perform evaluation.

Policy Violations

- Violations of this policy will be cause for disciplinary action, up to and including dismissal.